

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

**Explanatory Memorandum for the “Draft Central Electricity Regulatory Commission
(Grant of Connectivity, Long-term Access and Medium –term Open Access in inter-State
Transmission and related matters) (Third Amendment) Regulations, 2013”**

Explanatory Memorandum

1.0 INTRODUCTION

1.1 The Commission had notified the Central Electricity Regulatory Commission (Grant of Connectivity, Long-Term Access and Medium-Term Open Access in Inter-State Transmission and related matters) Regulations, 2009 (hereinafter “Connectivity Regulations”) which came into force with effect from 1.1.2010.

1.2 With the objective of facilitating grid connectivity to the generating stations based on renewable sources of energy, CERC issued an amendment to the Connectivity Regulations vide notification dated 3rd September, 2010, wherein, the threshold capacity for connecting to inter-State grid was reduced from 250 MW to 50 MW for the generating stations using renewable sources of energy. The relevant Regulation 2 (b) (i) of the Regulations, as amended, defines the term “Applicant” for Grant of Connectivity as under:

“(a) A generating station with installed capacity of 250 MW and above, including a captive generating plant of exportable capacity of 250 MW and above or;

(b) A Hydro Generating station or generating station using renewable source of energy, of installed capacity between 50 MW and 250 MW.

(c) One of the Hydro Generating stations or generating stations using renewable sources of energy, individually having less than 50 MW installed capacity, but collectively having an aggregate installed capacity of 50 MW and above, and acting on behalf of all these generating stations, and seeking connection from CTU at a single connection point at the pooling sub-station under CTU, termed as the lead generator, or;”

1.3 Existing generating stations connected to the inter-state grid and having surplus land, can add a small capacity of renewable source of energy in the same premises. By co-locating this new and renewable energy source with the existing infrastructure and the associated interconnection and transmission facilities, existing generating stations can maximize use of their land and transmission systems.

1.4 Prevailing Connectivity Regulations, which specify above mentioned minimum threshold limit for connectivity with inter-State grid, doesn't allow connectivity for such a small generating plant based on renewable sources of energy. Presently, such plant is required to be connected with the State transmission system, which may require laying down long transmission lines for evacuation of power. It will apart from other problems related to the construction of the transmission lines including RoW issues increase not only the cost of evacuation but also the transmission and wheeling losses.

1.5 In order to facilitate development of renewable energy projects in the premises of existing generating stations, CERC proposes an amendment in the Regulation 2 of the Connectivity Regulations, by including a specific provision for renewable energy generating station of 1 MW and above to grant connectivity to such stations at the existing connection point with Central Transmission Utility. The proposed amendment is as under:

“e. Any renewable energy generating station of 1 MW capacity and above developed by a generating company in its generating station of description referred to in sub clauses (b)(i)(a) to (c) of this clause and seeking connectivity at the existing connection point with inter-State Transmission System subject to availability of transmission capacity margin.”

Comments/suggestions/objections to the proposed amendment are invited from the stakeholders and other interested persons.